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## TIME IS MONEY - IT PAYS TO TALK ABOUT IT

*The financial chats you should be having.*



By: M.R. Kylis, Photo: John Slater/Getty Images

When we get together with the girls, money questions are more likely of the “How did you find that fabulous Fendi on sale?” variety than “Which mutual fund are you in?” Here’s why girl talk should shift from Prada bag to personal investment accounts.

Talking about how we spend and invest our money is up there with politics and religion in the don’t-go-there-if-you-want-to-keep-this--friendship category. Yet the silver lining of the economic crisis is that we’re reminded how critical it is to talk about our patterns of spending, borrowing and risk-taking. “The continuing pauperization of women is at stake,” says Allison Acken, a clinical psychologist and the author of *It’s Only Money: A Primer for Women*. “We earn roughly \$35,000 to men’s \$45,000! Let’s talk about that.” The financial experts and

psychologists we interviewed agree that women would benefit tremendously from starting to engage one another in more conversations about college funds, retirement accounts and other savings and investment choices.

“Women are natural networkers and social creatures,” says Kelley Keehn, an *On the Money* contributor at CNBC. “But we often waste our time together discussing issues that won’t change our lives. Aside from our health, the one area that’s too precious to completely trust someone else with is our money.”

If you feel you have a lot to learn before you start talking the talk, brush up on the topic. “I hear so many women say, ‘I’m not good with numbers. I’m not interested in finances. It’s my spouse’s responsibility,’” says Keehn. But you don’t have to be good at math to negotiate a mortgage rate, know where your investments are or open your credit card statement.

Some of us also may be overcoming lessons we learned growing up. “Parents and the rest of society put a lot of pressure on girls not to be greedy,” says Sara Laschever, author of *Ask for It: How Women Can Use the Power of Negotiation to Get What They Really Want*. “We don’t like girls that we perceive to be too bossy or grabby or entitled.” The result is that we may shortchange ourselves when it comes to getting the knowledge we need to have smart conversations about money so we can make informed decisions.

### READ ALL ABOUT IT

Start by reading the business section of your daily newspaper on a regular basis to get comfortable with the jargon, suggests Barbara Stanny, a leading authority on women and money. Plus, there are plenty of beginner books on finances, budgets and managing money—including those written specifically for women.

If it’s easier to listen to a financial program on the radio during your morning commute, try that, says Keehn. “Hearing the financial vernacular over and over again will help it sink in.” She also recommends waking up 15 minutes earlier once a week to do some light research: “Sit at your computer with a cup of coffee and Google key financial terms such as ‘compound interest’ and ‘appreciation.’ Once you have even a basic understanding of what a 401(k) plan is, for example, you’ll feel more confident asking questions about it. A basic grasp of financial concepts will help spark your interest in that unfamiliar world.”

### ASK QUESTIONS

Every week, have a conversation about money, preferably with someone who knows more than you do, Stanny suggests. Start small—with someone you trust, such as your sister or best friend. Then move on to people within your larger social circle with whom you feel comfortable, says Laschever.

It’s our secrecy and silence about our finances that keep us stuck, Stanny says. Of course, this doesn’t mean you ask a friend who seems financially well off how much she earns, she adds. Rather, you ask how she got smart about money

and what advice she may have. Women might feel more at ease doing this if they realize they don't have to talk specific numbers, as in "I invested X dollars in such-and-such mutual fund." Instead, they can discuss the reasoning behind their decisions, says Laschever—like "I did a little research, and this fund has taken strong positions in this and that industry, and I think that's a good idea because. ..."

The key is to ask people to share their expertise rather than talk about their own investments in detail. Among her favorite conversation openers:

- I understand that you know a lot about X. I'd love to hear your thoughts.
- Can you give me some advice? I'm trying to improve my understanding of how this part of the market works.
- Before I take a big step, I want to make sure I've covered all the bases. I know you have experience in this area.

Would you mind telling me where you do your research, check the truth behind rumors and decide how much risk is involved?

### **JOIN A GROUP**

Becoming a member of an investment group, even when the market is tanking, can help focus your efforts. "It gives you a group dynamic that's safe and a reason to focus on money," says Keehn. Women who belong to investment clubs have a much greater chance of getting control of their finances and retirement, she notes: "Women who enjoy working in groups and discussing concepts openly find these groups a safe environment in which to learn."

You can form a "practice" club where you get together monthly to discuss financial concepts, read books and educate yourselves. Start by emailing your friends and suggesting a monthly coffee night to empower one another about money. You can also join a formal club where you invest together. If you want to set up your own investment club, go to this site for pointers: [ehow.com/how\\_3505\\_start-investment-club.html](http://ehow.com/how_3505_start-investment-club.html).

The idea, says Keehn, is to "get women together to discuss money instead of just the kids and challenges at work." If you prefer a more rigorous approach, consider taking an investment course through a local community education program.

### **TEACH YOUR CHILDREN**

If convincing yourself that you need to learn more about money is a struggle, consider the example you're setting for your kids. You certainly don't want them to flounder when it comes to balancing their checkbook and avoiding credit card debt. A good way to start teaching them about finance is to suggest that as a family you start tracking stocks in companies they can relate to, such as their favorite fast-food restaurant or amusement park, says Keehn. You can also offer some basic info (assuming you've done your homework), answering questions such as: What are the NASDAQ and the Dow? What is a stock market? What's a private company versus a public company? Why do you need to save up for things? How does a mortgage work? Why is your credit rating so important?

"Many young adults are missing some of these basics," says Keehn. "As a result, they may mess up their credit at a very early age." One way to make sure your kids have a sound financial future is to take control of your own financial destiny, one conversation at a time.

**TIP:** Feeling too "green" to talk about money? Read the business section every day to get used to the jargon.

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